



GSA National Capital Region

FEB 22 2011

(b) (6)

Vornado/Charles E. Smith  
2345 Crystal Drive  
Suite 1000  
Arlington, VA 22202

Re: Freedom of Information Act (FOIA) Request No. 189073

Dear (b) (6)

This letter is in response to your Freedom of Information Act (FOIA) request, dated February 7, 2011, in which you requested "a copy of the SF-2 for the Patriots Plaza (355 E Street, SW)."

Enclosed is a copy of the requested information. This completes the action on your request. Should you have any questions, please do not hesitate to contact Toni Slappy, FOIA Coordinator, at (202) 619-6200.

Sincerely,

(b) (6)

Claire L. Fortune  
Director  
Office of Organizational Resources  
Public Buildings Service

Enclosure

STANDARD FORM 2  
FEBRUARY 1965  
EDITION  
GENERAL SERVICES  
ADMINISTRATION

**US GOVERNMENT  
LEASE FOR REAL PROPERTY**

DATE OF LEASE

**NOV 12 2009**

LEASE NO.

GS-11B-02141

THIS LEASE, made by and entered into this date by and between NewTower Trust Company Multi-Employer Property Trust, c/o Kennedy Associates Real Estate Counsel, LP

Whose address is 1215 Fourth Street, Suite 2400,  
Seattle, Washington 98161  
Attn: Executive Vice President - Asset Management

and whose interest in the property hereinafter described is that of **OWNER**

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of 330,000 ANSI/BOMA rentable square feet (BRSF) of office and related space, which yields 288,838 ANSI/BOMA Office Area square feet (BOASF), located on a portion of the 1<sup>st</sup> floor, 16,351 BRSF (14,881 BOASF), a portion of the 3<sup>rd</sup> floor, 21,516 BRSF (18,763 BOASF), a portion of the 4<sup>th</sup> floor 28,022 BRSF (24,852 BOASF), the entire 5<sup>th</sup> floor 33,299 BRSF, (29,052 BOASF), the entire 6<sup>th</sup> floor 33,299 BRSF, (29,052 BOASF), the entire 7<sup>th</sup> floor 33,299 BRSF, (29,052 BOASF), the entire 8<sup>th</sup> floor 33,299 BRSF, (29,052 BOASF), the entire 9<sup>th</sup> floor 33,299 BRSF, (29,052 BOASF), the entire 10<sup>th</sup> floor 33,299 BRSF, (29,052 BOASF), the entire 11<sup>th</sup> floor 32,955 BRSF, (28,678 BOASF), and the entire 12<sup>th</sup> floor 31,362 BRSF (27,152 BOASF) at Patriots Plaza III, 355 E Street, SW, Washington, DC to be used for SUCH OFFICE AND RELATED PURPOSES AS DETERMINED BY THE GOVERNMENT (See Exhibit A - Floor plans of leased premises). Included in the rent, at no additional cost to the Government, are 65 parking spaces for exclusive use of official Government vehicles.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for a fifteen (15) year term beginning upon Government acceptance of the Space.

3. The Government shall pay the Lessor annual base rent of \$13,833,600.00 (\$41.92/BRSF) at the rate of \$1,152,800.00 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: NewTower Trust Company Multi-Employer Property Trust, c/o Kennedy Associates Real Estate Counsel, LP, 1215 Fourth Street, Suite 2400, Seattle, Washington, 98161, or in accordance with the provision on electronic payment of funds.

Notwithstanding the foregoing, the Government shall be entitled to abatement of rent in its entirety for the first twelve (12) months of the lease term.

In addition, the Government shall be entitled to abatement of rent in the total amount of \$1,336,325.76, resulting from the Commission Credit, applied through the partial abatement of the monthly shell rent during the thirteenth and fourteenth full months of the lease term, in equal amounts of \$668,162.88, as more fully set forth in paragraph 6(F) below.

4. (Intentionally deleted)
5. (Intentionally deleted)

  
LESSOR GOVT

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
- A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 08-028 dated July 17, 2008.
- B. In accordance with the SFO paragraph 1.10 "Tenant Improvements Included in Offer", the Lessor shall provide as part of the rent a total Tenant Improvement Allowance of (b) (4). The Government shall have the full latitude to direct disbursement of funds in accordance with the SFO and/or offset the Government's rental obligation to the Lessor. This Tenant Improvement Allowance is included in the rent, and is amortized at a rate of (b) (4) (b) (4) over the firm term of the lease. An interest rate of (b) (4) will be applied to amortize tenant improvements in excess of the total Tenant Improvement Allowance up to (b) (4) per BOASF. If the Government does not utilize the entire Tenant Improvement Allowance included in the rent, the rent shall be adjusted downward using the (b) (4). A mutually agreed upon Supplemental Lease Agreement (SLA) shall finalize the rent using the final Tenant Improvement costs as approved by the Government with a Notice to Proceed. The actual cost of the Tenant Improvements will be determined by the competition and cost proposal process as set forth in Paragraph 3.2 "Construction Schedule of Tenant Improvements", with the understanding that bidding shall take place at the trade/subcontractor level. Any work items provided by the General Contractor, or for which there is not adequate competition at the trade/subcontractor level, shall be subject to the Government review of cost and pricing data.
- C. In connection with the buildout of Tenant Improvements, the following limits on markups shall apply to the tenant improvements and change orders: Offeror's General Contractor's fee shall not exceed 5%, General Conditions shall not exceed 2%, and Architectural & Engineering fees shall not exceed 7%. There is no fee for Lessor's overhead and profit. The combined markup shall not exceed 14% of the Tenant Improvement costs. These markups are all subject to the right of the Government to reasonably negotiate individual markups based upon the actual scope of work of the requirement.
- D. In accordance with the SFO paragraph 3.6 "Percentage of Occupancy", the percentage of Government occupancy is established as 86.82% based on occupancy of 330,000 BRSF in a building of 380,087 total BRSF.
- E. In accordance with the SFO paragraph 3.8 "Operating Costs Base", the escalation base is established as (b) (4). Beginning with the second lease year and each year thereafter, the annual rent shall be adjusted by applying the change in the C.P.I. to the operating cost base as detailed in SFO Paragraphs 3.7 and 3.8.
- F. In accordance with the SFO paragraph 1.13 "Broker Commission and Commission Credit", Jones Lang LaSalle is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Jones Lang LaSalle have agreed to a cooperating lease commission of (b) (4) for years 1 through 10 and 1.5% for years 11 through 15 of the aggregate lease value, minus any rental abatements, for the fifteen (15) year firm term. The total amount of the commission is \$ (b) (4) "Total Gross Broker's Commission". Jones Lang LaSalle has agreed to forego (b) (4) of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is \$ (b) (4). The Total Gross Broker's Commission, minus the Commission Credit, equals the "Remaining Broker's Commission" due to Jones Lang LaSalle in the amount of \$ (b) (4). See the rent schedule below for the Lease term.

Notwithstanding paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully recapture the Commission Credit. The reduction in shell rent shall commence with the thirteenth (13<sup>th</sup>) month of the rental payments and continue as indicated below for adjusted Monthly Rent:

- Months 1 through 12 are abated.
- Month 13 base rental payment \$1,152,800.00 (\$41.92 per BRSF) of which \$867,900.00 is considered "shell" (\$31.56 per BRSF) minus the first half of the commission credit of (b) (4) equals the rent for Month 13 in the amount of (b) (4).
- Month 14 base rental payment \$1,152,800.00 (\$41.92 per BRSF) of which \$867,900.00 is considered "shell" (\$31.56 per BRSF) minus the first half of the commission credit of (b) (4) equals the rent for Month 14 in the amount of (b) (4).

The Remaining Broker's Commission is payable to:  
Jones Lang LaSalle Americas, Inc.  
Public Institutions  
33832 Treasury Center  
Chicago, IL 60694-3400  
Tax ID: 36-4160760

  
LESSOR GOV'T

- G. In accordance with the SFO paragraph 3.11 "Common Area Factor", the common area factor is established as 1.1433 (330,000 BRSF/288,638 BOASF).
- H. In accordance with the SFO paragraph 3.15 "Adjustment for Vacant Premises", the adjustment is established as \$4.08/BOASF for vacant space (rental reduction).
- I. In accordance with the SFO paragraph 7.2 "Normal Hours", services and maintenance shall be provided daily, extending from 7:00 am to 6:00 pm, Monday through Friday, excluding Saturdays, Sundays and federal holidays.
- J. In accordance with the SFO paragraph 7.3 "Overtime Usage". The rate for overtime usage is established as:
- Saturdays from 9:00 am to 1:00 pm are provided free of charge.
  - The base rate for overtime HVAC for additional hours beyond the Normal Hour Schedule is as follows:
    - o \$15.00 per hour per half floor;
    - o \$20.00 per hour per full floor.
  - The base rate for overtime HVAC shall increase after 200 hours of overtime HVAC have been used per lease year to the following:
    - o \$20.00 per hour per half floor;
    - o \$25.00 per hour per full floor.
  - The base rate for overtime HVAC for Saturdays (other than 9:00 am to 1:00 pm), Sundays, or holidays is \$15.00 per hour by floor with a minimum of 4 hours.
- K. Upon construction completion the Lessor must perform a full Fire Protection and Life Safety Evaluation, including a site survey. Specific recommendations identified in the SFO Attachment No. 4 shall be corrected as a condition of the lease for Government Occupancy.
7. The following are attached and made a part hereof:
- A. Solicitation for Offers 08-028 dated July 17, 2008, 54 pages.
  - B. Exhibit A, Floor Plans, 11 pages.
  - C. Amendment No. 1, dated July 17, 2008, 3 pages.
  - D. Amendment No. 2, dated July 25, 2008, 1 page.
  - E. Amendment No. 3, dated, August 12, 2008, 1 page.
  - F. Amendment No. 4, dated, September 5, 2008, 3 pages.
  - G. USDA Program of Requirements, 1Q2007 Edition, 98 pages.
  - H. GSA Form 3517 entitled GENERAL CLAUSES (Rev. [9/01]), 33 pages.
  - I. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [9/01]), 8 pages.
  - J. GSA Form 1217 entitled LESSOR'S ANNUAL COST STATEMENT, 2 pages.
  - K. Attachment No. 4 entitled Fire Protection and Life Safety Evaluation, 8 pages.
  - L. Pre-Lease Building Security Plan, 8 pages.
  - M. Small Business Subcontracting Plan, 15 pages.
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8. The following changes were made in this lease prior to execution:  
Paragraph 4 and 5 are intentionally deleted.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR: NEWTOWER TRUST COMPANY MULTI-EMPLOYER PROPERTY TRUST,  
a trust organized under 12 C.F.R. section 9.18

BY: Kennedy Associates Real Estate Counsel, LP Authorized Signatory  
BY: Kennedy Associates Real Estate Counsel GP, LLC, its general partner

BY

(Signature)

IN PRESENCE OF (witnessed by)

(Signature)

ROBERT COULMAN, VICE PRESIDENT  
(Printed Name and Title)

7315 WILSON AVE., #350W  
Bethesda, Maryland 20814  
(Address)

UNITED STATES OF AMERICA

BY

(Signature)

Contracting Officer, General Services Administration  
(Official Title)

MLR